

Participation in MOPSC Cases
Witness: Janice Pyatte

Company	Case Number
Aquila, Inc. d/b/a Aquila Networks-MPS and L&P	ER-2004-0034 & HR-2004-0024
The Empire District Electric Company	ER-2002-424
Union Electric Company d/b/a AmerenUE	EC-2002-1
UtiliCorp United, Inc. d/b/a Missouri Public Service	ER-2001-672
The Empire District Electric Company	ER-2001-299
UtiliCorp United and St. Joseph Light & Power Co.	EM-2000-292
St. Joseph Light & Power Company	ER-99-247 & EC-98-573
St. Joseph Light & Power Company	HR-99-245
Union Electric Company	EO-96-15
St. Joseph Light & Power Company	EC-98-573
Missouri Public Service	ER-97-394 & ET-98-103 & EC-98-126
Missouri Public Service	ER-97-394 & ET-98-103
Missouri Public Service	EO-97-144 & EC-97-362
The Empire District Electric Company	ER-97-81
Kansas City Power & Light Company	EC-96-57
The Empire District Electric Company	ER-95-279
The Empire District Electric Company	ER-94-174 & EO-91-74
St. Joseph Light & Power Company	ER-93-41
Missouri Public Service	ER-93-37
Union Electric Company	EM-92-225 & EM-92-253
Arkansas Power & Light Co. and Union Electric Co.	EM-91-29
Union Electric Company	EO-87-175
Arkansas Power & Light Company	ER-85-265
Kansas City Power & Light Company	ER-85-128 & EO-85-185
Union Electric Company	EO-85-17 & ER-85-160
Union Electric Company	ER-84-168
Union Electric Company	ER-84-168
Arkansas Power & Light Company	ER-83-206
Union Electric Company	ER-83-163
Kansas City Power & Light Company	ER-83-49
The Empire District Electric Company	EO-82-40
The Empire District Electric Company	ER-81-209
Kansas City Power & Light Company	EO-78-161
Laclede Gas Company	GO-78-38
Union Electric Company	EO-78-163
St. Joseph Light & Power Company	EO-77-56

THE EMPIRE DISTRICT ELECTRIC COMPANY - CASE NO. ER-2004-0570
SUMMARY OF ANNUALIZED AND NORMALIZED RATE REVENUE

MISSOURI RETAIL

<u>Rate Schedule</u>	As Billed Rate Rev w/o taxes	Large Customer Annualizations	Normalization for Weather & Days	Additional Rev from Cust Growth	Total MO Normalized Rev
RG-Residential	\$108,083,194		\$564,747	\$1,996,854	\$110,644,795
CB-Commercial	\$24,774,766		\$255,170	\$325,542	\$25,355,478
SH-Small Heating	\$5,758,290		(\$1,485)	\$107,837	\$5,864,642
PFM-Feed Mill/Grain Elev	\$97,329		(\$738)		\$96,590
MS-Traffic Signals	\$44,850		(\$8)		\$44,842
GP-General Power	44,399,571	(\$734,734)	\$73,155	\$485,182	\$44,223,174
TEB-Total Electric Bldg	\$19,028,227		\$55,323	\$588,068	\$19,671,619
LP-Large Power	\$29,444,813	\$1,140,223			\$30,585,036
SC-P PRAXAIR (Firm)	\$2,421,236				\$2,421,236
PF-Elect Furnace Primary	\$100,591	(\$100,591)			\$0
SPL-Municipal St Lighting	\$1,100,382				\$1,100,382
PL-Private Lighting	\$3,031,871		(\$10,026)		\$3,021,846
LS-Special Lighting	\$149,330		(\$166)		\$149,164
CP-Cogeneration Purchase	(\$91)				(\$91)
Missouri Billed Rate Revenue	\$238,434,358	\$304,898	\$935,972	\$3,503,483	\$243,178,711
Interim Energy Charges	(\$452)				\$0
Excess Facilities Charges	\$1,647,865				\$1,647,865
Interruptible Credits	(\$443,232)	\$100,320			(\$342,912)
	\$239,638,539	\$405,218	\$935,972	\$3,503,483	\$244,483,664
Accounting Adjustment No.		S-1.7, S-1.1	S-1.5	S-1.6	

THE EMPIRE DISTRICT ELECTRIC COMPANY - CASE NO. ER-2004-0570
SUMMARY OF ANNUAL KWH SALES

MISSOURI RETAIL

<u>Rate Schedule</u>	As Billed Sales (kWh)	Large Customer Annualizations	Normalization for Weather & Days	Additional kWh from Cust Growth	Total MO Normalized kWh
RG-Residential	1,534,753,115	-	6,966,728	28,366,419	1,570,086,262
CB-Commercial	308,174,613	-	3,637,672	4,056,942	315,869,227
SH-Small Heating	86,423,580	-	109,391	1,544,642	88,077,613
PFM-Feed Mill/Grain Elev	937,811	-	(18,190)	-	919,621
MS-Traffic Signals	738,689	-	(143)	-	738,546
GP-General Power	778,441,023	(12,881,720)	1,299,692	8,908,874	775,767,869
TEB-Total Electric Bldg	329,590,010	-	964,804	10,801,097	341,355,911
LP-Large Power	658,434,756	27,109,051	-	-	685,543,807
SC-P PRAXAIR Transmission	67,387,032	-	-	-	67,387,032
PF-Elect Furnace Primary	1,941,914	(1,941,914)	-	-	-
SPL-Municipal St Lighting	16,132,331	-	-	-	16,132,331
PL-Private Lighting	16,310,941	-	(155,894)	-	16,155,047
LS-Special Lighting	1,554,463	-	(2,832)	-	1,551,631
CP-Cogeneration Purchase	(3,903)	-	-	-	(3,903)
MO Retail Billed	3,800,816,375	12,285,417	12,801,228	53,677,974	3,879,580,994

THE EMPIRE DISTRICT ELECTRIC COMPANY - CASE NO. ER-2004-0570
SUMMARY OF ANNUAL KWH SALES

TOTAL COMPANY RETAIL

<u>Rate Schedule</u>	As Billed Sales (kWh)	Large Customer Annualizations	Normalization for Weather & Days	Additional kWh from Cust Growth	Total MO Normalized kWh
RG-Residential	1,737,062,837	-	10,171,544	29,508,145	1,776,742,526
CB-Commercial	354,783,293	-	4,336,838	3,959,753	363,079,884
SH-Small Heating	89,799,819	-	82,524	1,572,307	91,454,650
PFM-Feed Mill/Grain Elev	937,811	-	(18,190)	-	919,621
MS-Traffic Signals	738,689	-	(143)	-	738,546
GP-General Power	872,203,636	(14,847,320)	1,221,723	7,400,632	865,978,671
TEB-Total Electric Bldg	344,606,868	-	968,028	11,864,930	357,439,826
LP-Large Power	796,530,500	29,928,203	-	-	826,458,703
SC-P PRAXAIR Transmission	67,387,032	-	-	-	67,387,032
PF-Elect Furnace Primary	1,941,914	(1,941,914)	-	-	-
SPL-Municipal St Lighting	19,228,638	-	-	-	19,228,638
PL-Private Lighting	19,374,522	-	(176,665)	-	19,197,857
LS-Special Lighting	1,819,990	-	(2,684)	-	1,817,306
CP-Cogeneration Purchase	(3,903)	-	-	-	(3,903)
MO Retail Billed	4,306,411,646	13,138,969	16,582,975	54,305,767	4,390,439,357

STAFF'S RATEMAKING TREATMENT OF RATE REVENUES AND KWH SALES

Rationale For Making Adjustments

The historical 12-month time period (test year) and update period (if any) that the Commission determines should be used for analyzing the costs of providing service to retail customers is also used for analyzing kWh sales and revenue, based on the “matching principle” of ratemaking. The intent of adjustments to test year rate revenues is to estimate the revenue that the company would have collected on an annual, normal-weather basis, based on information “known and measurable” at the end of the update period.

Most adjustments to test year revenues correspond to adjustments to kWh sales that, in turn, affect the Company's fuel and purchased power costs. Net system loads, updated for these known and measurable changes in kWh sales, are reflected in the production cost simulation model (fuel run) to ensure that sufficient generation and purchases exist to meet total net system requirements. Any change to rate revenue from historical levels that results from changes in underlying sales of electricity will result in corresponding changes to fuel and purchased power costs that reflect that same adjustment to sales.

Categories Of Adjustments

The two major categories of adjustments are known as normalizations and annualizations.

Normalizations deal with test year events that are unusual and unlikely to be repeated in the years when the new rates from this case are in effect. Test year weather is an example. It is unlikely that the weather that occurred in the test year will, on average, be repeated in the future, but what weather will actually occur is not predictable. The objective of the weather normalization process is to re-state test year kWh sales and rate revenues on a “normal-weather” basis.

Annualizations are adjustments that re-state test year results as if conditions known at the end of the update period had existed throughout the entire test year. Annualizations may be further sub-classified as being “test-year-related” or “update-period-related”, depending on when a known and measurable change occurs (i.e., during the test year or during the update period).

Examples Of Annualizations

A common example of a revenue annualization is a rate change that occurs during the test year. In this situation, actual test year rate revenues will be understated or overstated by the difference between the amount that was actually billed to customers and the revenue that would have been realized by the company if the rates in effect at the end of the update period had been in effect throughout the entire test year.

An example of an annualization that affects both kWh sales and rate revenues is a large customer that either begins or ceases service during the analysis period. In the situation where a large customer ceases business, test year revenues should be decreased by the amount of revenue the customer provided the Company. A corresponding reduction to kWh sales and to fuel and purchased power expense should be made to reflect the costs the company will no longer incur. Conversely, when a large customer begins service, test year revenue, kWh sales, and fuel expense should be increased to reflect both the costs and the revenues associated with serving the new customer on an annual basis.

Customer growth adjustments are annualizations that reflect any additional sales and revenues that would have occurred if the total number of customers on the system at the end of the update period had been customers during all 12 months of the test year.